

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2587
ANSWERED ON:18.08.2006
FOREIGN DEBT
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of FINANCE be pleased to state:

- (a) the total foreign debt outstanding against the country alongwith its percentage in the GDP ;
- (b) whether there has been any increase or decrease in the amount of foreign debt during the last three years;
- (c) if so, the details thereof; and
- (d) the steps taken by the Government to reduce the debt burden ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

- (a) Total foreign debt outstanding at end-March 2006 amounted to US\$ 125.18 billion and its share in GDP was 15.8 percent.
- (b) and (c) India's external debt has increased during the last three years in US cloilar terms. However, as a percentage of GDP, India's external debt has declined during this period. The details are given in the following Table.

Table India`s External Debt (US\$ billion)

At end-March				
	2004	2005	2006	
(i)	Total External Debt	111.64	123.20	125.18
(ii)	External debt as %o(GDP	17.8	17.3	15.8

- (d) Government follows a prudent external debt management policy to keep external debt within manageable limits. The policy focus is on concessional loans, longer maturity profiles, close monitoring of short-term debt and laying emphasis on non-debt creating capital flows.